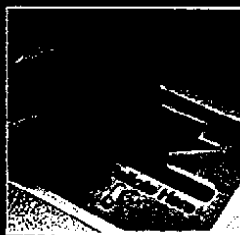


Protect Your Freedom!



Across America, business owners and managers are speaking out to stop government interference.

If you run a business, you want to keep control over decisions that could affect your sales, the loyalty of your customers and the morale of your employees.

But some private groups and government officials want to take decisions about smoking out of your hands. They are working at the local, state and national levels to raise cigarette taxes and ban smoking.

Many owners and managers have taken action to protect their freedom to do business as they choose. When such proposals threaten *your* business, you can get help from Business Watch, a service of R.J. Reynolds Tobacco Company. The toll-free number is 1-800-862-2525.

51842 7787

Speak Out for Freedom



Prepared especially for people in business willing to make a stand for freedom.

R.J. Reynolds
Tobacco Company

July 1993

TAKING ACTION

If you own or manage a business, you want to control decisions that could affect your business: your sales and profits, your customer loyalty, your employees' morale.

But on decisions about smoking, some special-interest groups want to take that control out of your hands.

These groups propose steep increases in cigarette taxes, which could devastate sales ... inflexible smoking restrictions, which could play havoc with restaurants and others in the hospitality industry ... workplace smoking bans, which could depress employee morale in any type of business.

These groups are pushing their agenda at the local, state and national levels. Business people must push just as hard to protect their freedom to conduct their affairs as they choose.

Speak Out for Freedom gives you the action steps and information you need to fight threats to your business. Put them to work today!

**"The right to be let alone
[is] the most comprehensive of
rights and the right most
cherished by civilized men."**

— Justice Louis D. Brandeis

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Retailers group opposes tax hike

Times have been tough for businesses in tobacco products, and a proposed 21-cent cigarette tax hike will make it worse.

Restaurant owners fight smoking ban

Alioto's plan has battle lines drawn

EXAMINER STAFF REPORT

Starbuck & Vincent Speak Out For Grocers

Blast Gov. Cuomo's Cigarette Tax

The message was heard loud and clear: don't hike the cigarette tax again.

Businesses reject tougher anti-smoking rules

BOB JOHNSON Staff Reporter

A proposal that a ban on smoking in virtually all places in the City of New York would be rejected by the City Council.

Stores Say Tax Hurts

By MARK BATTISTON Staff Reporter

Local merchants who sell a lot of cigarettes all agree that the recent hike of 25 cents per pack has hurt their business.

Smokers' Activism Sets Example

Taverns, Customers Can Find Common Cause with Grassroots Groups

By CHRIS BAILEY
Ohio Tavern News Editor

Tobacco and bar taverns have gone hand-in-hand for years, but the purveyors of each have had nothing more than a casual relationship during that time. The situation is in the process of changing, however, as both the beverage alcohol and tobacco industries find themselves sharing common threats.

General Assembly, although the topic probably will resurface after the November election. "Unfortunately, politicians, instead of raising taxes themselves, get other people to raise them," Smith said. "One way is through cigarette taxes and alcohol taxes. That way, politicians can hide behind the tax increases."

**DON'T WAIT!
DO SOMETHING ... TODAY!**

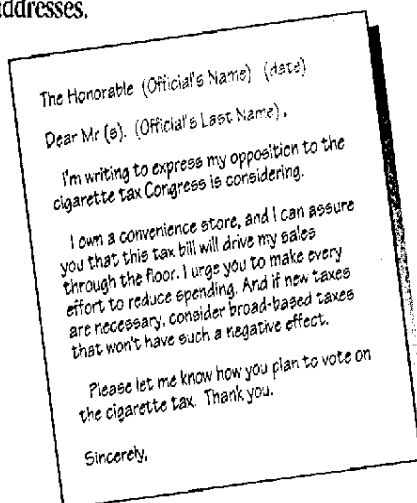
Your business freedom may depend on it!

STEPS YOU CAN TAKE

Political decisions about cigarettes and smoking can affect your business. When such decisions are pending in a city council, state legislature or the U.S. Congress, make your opinion known. These are the most effective steps you can take:

Write to Your Officials

The first thing you'll need when writing to your officials is their addresses. You can usually write to local officials at City Hall. For names and addresses of state legislators and members of Congress, call your county clerk or bureau of elections. You can also call the Action Line, 1-800-333-8683, to get names and addresses.



To write an effective letter, follow these guidelines:

- Precede your official's name with "The Honorable."
- Explain who you are and why you're interested in an issue. For example, "I own a business in your legislative district, and this tax will hurt my sales."
- Keep your letter short. Stick to one topic a letter, and explain your position as simply as possible.
- Keep your tone reasonable. Don't be angry or abusive.
- Make your letter personal. For example, if you own a convenience store and you're contacting your U.S. Representative about cigarette taxes, talk about how that tax will affect your profits, your business, your employees and your family.
- Ask your official for a written response telling you how he or she intends to vote on the issue.

Call Your Officials

Your phone can be your best friend in fighting proposals that could affect your business. A last-minute call to an elected official as a vote nears could make a difference in his or her position. Here are a few points to remember:

- Refine your message to just a couple of lines. You may have to leave a message, and those two lines may have to do.
- You haven't wasted your time if you don't talk with your official. Just ask to speak to the appropriate staff member, or, if that's not possible, to leave a message.
- Briefly and politely, say what's on your mind.
- Ask the staff member or receptionist to leave your message with your official.
- Ask for a written response from your official.

Circulate a Petition

A letter or phone call represents the voice of one person. But a petition represents the united voices of tens, hundreds or thousands of people. Petitions are a powerful way to make a point.

To prepare and circulate a petition:

- At the top of a sheet of your company's letterhead, write or type your petition statement. Make it brief, simple and clear. For example: "We Oppose Any Increase In Cigarette Excise Taxes!"
- Divide your page into three columns. Label them SIGNATURE, NAME and ADDRESS.
- Make as many photocopies of the sheet as you think you'll need.
- You sign first. Ask your employees to sign. Then put the petition where your customers will be able to add their names.
- When writing to an elected official, include a copy of the petition. Save the original for future use!

WE OPPOSE ANY INCREASE IN CIGARETTE EXCISE TAXES!		
SIGNATURE	NAME	ADDRESS
<i>[Signature]</i>	SEYMEN ARDISAN	110 E. CHARLES AVENUE
<i>[Signature]</i>	Tim Walter Jr.	17047 Bell Place, Brook
<i>[Signature]</i>	Angie Moore	1529 Redwood Avenue
<i>[Signature]</i>	Suzanne McHale	521 Western Littleton
<i>[Signature]</i>	Donna O'Don	

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STEPS YOU CAN TAKE

Make Personal Contact

In making an impact on an elected official, there is no substitute for personal contact. It will impress on your official how strongly you feel about an issue. All of the people who represent you are accessible, from Congress to City Hall:

Members of Congress

You may have several opportunities to meet your U.S. Representative and Senators:

- **When visiting Washington, D.C.** If you plan a visit to the nation's capital, contact your officials' offices as far in advance as possible to set up an appointment. If you're visiting while Congress is in session, you should be able to get in to see them.
- **In area offices.** During holiday recesses and the month of August, many members of Congress conduct business in their state or district offices. Check the blue pages for your officials' nearest offices, and call for an appointment.
- **At town meetings.** Many U.S. Representatives hold public meetings as a way to find out what's on the public's mind. These meetings are a great place to get an official on the record on issues that concern you.

State legislators

If you're visiting the state capital while the legislature's in session, be sure to make appointments to see your state officials. Legislators in larger states may also have local offices and hold public meetings.

In many states, however, being a legislator is a part-time job. The best place to catch up with your officials may be at their regular jobs, during normal business hours.

Local officials

In most states, local governments have the power to impose broad restrictions on smoking in public areas and in the workplace. Some local government bodies have also considered proposals to restrict cigarette merchandising. And in a few states, local governments may also impose cigarette taxes.

When local officials consider issues that may affect your business, go see them. In larger cities, they may keep regular office hours. In smaller ones, you may catch them at their place of business. And when public hearings are scheduled on important issues, be sure to attend and speak out!

Write to Newspapers

The letters column in your local newspaper gives you the opportunity to help build public support for your position. Your newspaper's address is usually listed on the editorial page.

In writing to a newspaper, use the same guidelines that apply to writing your officials. In addition:

- State your position clearly in the first paragraph, and repeat it in closing. Leave no doubt about where you stand.
- Sign your letter, and include your address and a daytime phone number. The newspaper probably will want to verify that you wrote the letter.
- Be sure to keep your letter short and to the point. Many newspapers won't print letters longer than 250 or 300 words.
- If you haven't heard from the newspaper within a week, contact the editorial page editor and ask when you can expect to see your letter in print.

Involve Your Employees and Suppliers

Your employees have an important stake — their jobs — in how well your business performs. If a political proposal threatens your business, it threatens your employees' well-being, too. So get them involved in the fight:

- Ask them to write personal letters to their elected officials about issues that may affect your business and their jobs.
- Ask them to sign petitions. If you have petitions out where customers can sign them, be sure your employees know enough about the issue to explain it to someone else.

Those opposed to smoking have proposed raising cigarette taxes by as much as \$2 a pack. That could be a sales disaster for retailers — and the people who supply them. So, if you're in the retail business and cigarette taxes threaten, get your suppliers involved, too. Ask them to:

- Write letters to their elected officials and to newspapers.
- Visit elected officials at their local offices, or attend town meetings and speak up on important issues.
- Get their employees involved writing letters, circulating petitions and attending town meetings.
- Work with you to get the support of business and social organizations.

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CIGARETTE TAXES

Tobacco plays an important role in the U.S. economy. It provides millions of jobs in agriculture, manufacturing and sales. It contributes favorably to the balance of trade. Further, America's 50 million smokers pay taxes — more than their fair share, in fact.

- Tobacco is grown in 23 states. The 1991 crop was worth about \$2.9 billion — the seventh largest U.S. cash crop.
- Tobacco accounts directly and indirectly for the employment of nearly 2.3 million people, whose total income exceeds \$66 billion.
- Cigarettes are the most heavily taxed consumer product in America. Each year, smokers pay more than \$11 billion in state and federal cigarette excise taxes.
- Excise taxes are "regressive." Everyone — from working mothers to millionaires — pays the same rate.
- Excise taxes on cigarettes are also discriminatory. They single out one group of taxpayers to fund government programs that serve smokers and nonsmokers alike.
- Cigarette taxes affect cigarette sales. During 1993, federal tax increases ranging from 24 cents a pack to \$2 a pack have been proposed. See the chart at right for the estimated impact these taxes would have on the economy, and possibly on your business.

Those opposed to smoking are pressuring elected officials to raise cigarette taxes dramatically to discourage smokers from using a legal product. These anti-smokers also want to use cigarette taxes to fund anti-smoking programs at a time when our nation faces many more pressing problems.

Check the chart at the right to find out how much smokers in your state pay in excise taxes. If you think they're being taxed unfairly, contact your elected officials. Speak out for fair taxation!

FEDERAL TAX 24 CENTS/PACK

STATE	CENTS PER PACK	STATE	CENTS PER PACK
Alabama	16.5	Nebraska	34
Alaska	29	Nevada	35
Arizona	18	New Hampshire	25
Arkansas	34.5	New Jersey	40
California	35	New Mexico	21
Colorado	20	New York	56
Connecticut	45	North Carolina	5
Delaware	24	North Dakota	29
Florida	33.9	Ohio	24
Georgia	12	Oklahoma	23
Hawaii	60	Oregon	28
Idaho	18	Pennsylvania	31
Illinois	30	Rhode Island	37
Indiana	15.5	South Carolina	7
Iowa	36	South Dakota	23
Kansas	24	Tennessee	13
Kentucky	3	Texas	41
Louisiana	20	Utah	26.5
Maine	37	Vermont	20
Maryland	36	Virginia	2.5
Massachusetts	51	Washington	54
Michigan	25	West Virginia	17
Minnesota	48	Wisconsin	38
Mississippi	18	Wyoming	12
Missouri	13	Washington, D.C.	50
Montana	19.26		

State tax rates as of July 1, 1993

IMPACT OF FEDERAL TAX INCREASES

AMOUNT OF INCREASE	LOST PAYROLL	LOST JOBS
24¢/pack	\$3.3 billion	114,000
\$1/pack	\$11.3 billion	388,000
\$2/pack	\$22.6 billion	776,000

Based on data compiled by Price Waterhouse

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SUPPORT THE LAW

Smoking should not be a part of growing up. But despite widespread efforts to discourage youth from smoking, some decide to do so. Anti-smokers use this to justify tax increases and bans on advertising, coupons and promotions. But there are better ways to attack the problem.

R.J. Reynolds has taken the initiative to reduce the rate of youth smoking. RJR distributes free educational materials to parents teaching them to help their children resist the negative influence of peer "RJR also provides hooks with the Right Decisions. Right Now! program," which combines the peer-education program with the R.J. Reynolds Company's "Cool" information centers that smoking is "cool."

Reynolds can do their part by not selling cigarettes to minors. The minimum age to buy cigarettes is 18 in most states (19 in Alabama, Alaska and Utah). To help retailers comply with their state law, RJR has established "Support the Law." This program provides a video training tape for your sales staff, in-store signage and other support materials.

For more information about "Support the Law," check the box on the order card. Immediate support you can take include:

- **Keeping an eye on transactions.** Make sure your sales clerks are not selling cigarettes to minors.
- **Making your policy clear.** Make sure your employees know you expect them to abide by the minimum-age law.
- **Training your sales staff.** Have them ask for proper ID and refuse to sell to customers who can't produce one.
- **Showing support for the law.** Point-of-purchase signs send your staff all directions to improve a strong visual statement.

SMOKING RESTRICTIONS

Be aware about smoking policies for employee and customers should be left to individual business owners. Owners know their customers and work force best.

However, in many cities, local officials are being pressured to impose blanket restrictions on smoking. There are some points you can make in favor of preserving business freedom.

Many businesses, restaurants for example, need flexibility on smoking policies to meet changing customer preferences.

The morale of employees who smoke would be better served by a separate smoking area or other arrangements that stop well short of a total smoking ban.

Where cigarette smoke is an annoyance to non-smokers, the problem may often be a ventilation system that is inadequate or improperly maintained.

SALES RESTRICTIONS

Some communities have considered banning cigarette coupons and in-store display. Such measures could impact your sales and profits. There are some reasons you should speak out when sales restrictions are considered.

Cigarettes are a legally traded product and should enjoy the same protection as any other legal product.

- **Your customers look for the best price they can get on cigarettes.** If you can't redeem their coupons, they'll go to another retail outlet.
- **Your customers want convenience.** If you can't offer a cigarette display, they'll go where they can see their choices.

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FROM
YOU!

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MAILED IN
THE U.S.

BUSINESS REPLY MAIL

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